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Letter No. 2390

November 23, 1988

1989 FARM PROGRAM SIGN-UP Sec'y of Agriculture Richard E. Lyng announced the sign-up period for the U.S. Department of Agriculture's 1989 wheat, feed grain and upland cotton programs. The period will begin on Dec. 19, 1988, and end April 14, 1989. Lyng also announced that from Dec. 19 through Feb. 3, producers may declare their intentions to plant from 10 to 25 percent of each program crop's permitted acreage to soybeans or sunflowers, and still protect that program crop's acreage base history. For more information, contact the local office of the USDA Agricultural Stabilization and Conservation Service.

ECONOMY
FAVORABLE TO
AGRICULTURE

The general economy should remain favorable for agriculture, according to the U.S. Department of Agriculture. Continued rising consumer income should support domestic demand for agricultural products. Interest rates paid by farmers are not likely to change very much. Cash receipts for livestock for 1988 are 2~3 percent above a year earlier. Record quantities of meat and poultry products are being marketed during the second half of 1988, but strong consumer demand is keeping prices generally above a year earlier. Livestock product prices are expected to remain strong into 1989 despite continued large supplies. Farmers' cash receipts for crops are 8 percent above a year earlier due to strong prices and large marketings from past years' inventories. Wheat, corn and soybeans have led the gain in cash receipts.

TO USSR - JAN.-SEPT.

During the months of January through September, the U.S. shipped 20 percent of its wheat exports to the USSR, 12 percent of its corn and 8 percent of its soybeans, according to the U.S. Department of Agriculture. High grain and oilseed prices and low prices for petroleum, the Soviets' major export, have worsened the terms of trade for the Soviets, giving them cause to seek more self-sufficiency in agriculture.

EC FINDS
PROGRAMS
EXPENSIVE

The European Community is finding that high price supports and growing surpluses have driven up the cost of its agricultural programs. According to the U.S. Department of Agriculture, the budget problems were worsened by the relatively low U.S. dollar, but they are being eased by higher commodity prices since summer. Policy reforms now underway aim at limiting the growth rate of farm program costs while ensuring enough revenue expansion to cover future program costs.

U.S. WHEAT EXPORT OUTLOOK

World trade in wheat is expected to decline in 1988/89, led by a sharp drop in Soviet imports and reduced feed wheat trade, according to the U.S. Department of Agriculture. While U.S. exports may drop 8 percent to 39.9 million tons in 1988/89, the U.S. market share will likely reach 43 percent, up from 41 percent in 1987/88. Influencing the U.S. export volume in 1988/89 are tight competitor supplies, U.S. export promotion programs, and cutbacks in purchases among some importers.

WHEAT USE NEAR RECORD The use of wheat remains near record despite higher prices, according to the U.S. Department of Agriculture. The forecast for 1988/89 is 2.56 billion bushels, only 5 percent below the record 2.69 billion in 1987/88. The season-average farm prices may increase 40 to 50 percent to \$3.55-\$3.85 per bushel. Demand should be strong despite higher prices. Domestic food use responds little to changes in prices because wheat represents only a small portion of the total cost to the consumer of products made with flour.

FRANCE OILSEED IMPORTS DOWN

French imports of soybeans are forecast down 50,000 tons to 410,000 tons in 1988/89, according to the U.S. Department of Agriculture. France's overall imports of oilseeds and products have declined due to the European Community's plans to reduce dependence on imports.

CATTLE ON FEED IN 7 STATES

Cattle and calves on feed in seven States preparing monthly estimates Nov. 1, 1988, for the slaughter market rotaled 7.92 million head, down five percent from a year ago but up five percent from Nov. 1, 1986, according to the U.S. Department of Agriculture. The seven States are Arizona, California, Colorado, Iowa, Kansas, Nebraska, and Texas.

NO THYROID
IN HAMBURGER

As of December 15, the U.S. Department of Agriculture will prohibit the use of livestock thyroid glands or surrounding muscle tissue in meat food products. A connection was found between the consumption of meat trimmings containing the gland and adjacent tissue with thyrotoxicosis, so the USDA is required to ban its use in food. Thyrotoxicosis is caused by excessive amounts of thyroid hormones in the blood. The symptoms include sleeplessness, nervousness, increased heart rate, shortness of breath, fatigue, excessive sweating, and weight loss.

MORE PROCESSED FOODS TO JAPAN

The United States and Japan have reached an agreement resolving a long-standing trade dispute on 11 categories of processed food products. According to the U.S. Department of Agriculture, the agreement will allow U.S. exporters greater sales opportunities for selected tomato and dairy products, dried leguminous vegetables, peanuts, starches, sugars, sugar syrups, sugar-based food preparations, fruit puree and paste, prepared and preserved fruit and noncitrus fruit juices. The overall U.S. exports of these products are expected to double to over \$160 million a year.

NA
ZDOROVJE!
(TO YOUR
HEALTH!)

The world sugar production in marketing year 1988/89 is forecast by the U.S. Department of Agriculture at 106.8 million metric tons, raw value, down slightly from the 107.1 million ton estimate of 103.9 million tons. Consumption is also showing a strong increase in 1988/89, up to 107 million tons, about the same as projected 1988/89 production. Most of the increase is due to consumption increase in the Soviet and Asia. A major factor in the strong demand in the Soviet is use of sugar for home-brewing of alcohol to circumvent Government efforts to restrict alcohol consumption by limiting availability.

FROM OUR RADIO SERVICE

AGRICULTURE USA #1643...(Weekly 13½ min documentary) On the edition of AGRICULTURE USA Brenda Curtis talks with Dep. Asst. Sec'y Suzanne Harris about the welcome recipe changes for the Nation's school lunch program. No longer will school children have to suffer through a lunch of liver or "peanut butter meatballs." Now they enjoy such up-to-date items as taco salads.

AGRITAPE/FARM PROGRAM REPORT #1631...(Weekly reel of news features) USDA news highlights; 1989 wheat, feed grains and upland cotton programs; Soviet farm reforms; Jobs in agriculture; Soybean protein boost.

CONSUMER TIME #1123...(Weekly reel of 2½~3 min features) Holiday bills, Holiday vegetables--old meets new; Some delicious rice recipes; Changes for Soviet consumers; Not enough students.

USDA RADIO NEWS SERVICE...Mon, Dec. 5 thru Fri, Nov. 9, Daily coverage of the Montreal mid-term review of the General Agreement on Tariffs and Trade. Tues, Dec. 6, Weekly weather and crop outlook; Mon, Dec. 12, U.S. crop production; Soviet grain outlook; World supply and demand; Tues, Dec. 13, Weekly weather and crop report; World oilseed; World cotton; World crop and grain production. Dial the USDA Radio Newsline 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

TELEVISION SERVICE programs, A BETTER WAY, DOWN TO EARTH, AGRICULTURAL UPDATE and SATELLITE NEWS are available on satellite Westar IV, audio 6.2 or 6.8 as follows:

Thursdays....AG UPDATE/SATELLITE NEWS, 7:30-7:45 p.m. ET.....Transponder 12D

Saturdays....A BETTER WAY, 10:00-10:30 a.m. ET.....Transponder 10D

ORIGINAL DOWN TO EARTH, 10:30-11:00 a.m. ET.....Transponder 10D

UPLINK SATELLITE NEWS/AG UPDATE, 11:00-11:15 a.m. ET.....Transponder 10D

Mondays.....A BETTER WAY, 8:00-8:30 a.m. ET.....Transponder 12D

REPEAT DOWN TO EARTH, 8:30-9:00 a.m. ET.....Transponder 12D

UPLINK SATELLITE NEWS/AG UPDATE, 9:00-9:15 a.m. ET.....Transponder 12D

A BETTER WAY is also available on The Learning Channel SATCOM 3R, Transponder 2, Audio 6.8 each Thursday at 10:30 a.m. ET.

OFFMIKE

Delightful...to meet many of the people who are just voices on the line, says Wayne Jenkins (Morning Ag Report, Indianapolis). He's referring to the USDA broadcast group that attended the NAFB convention. Works our way too. We hope to see you there next year. Remarkable...despite the drought are cotton yields of 850+ pounds per acre and 30+ pounds for soybeans in Tensas Parish reports Doug Thomas (Southern States Network, LA). But says wet weather has now stalled most harvest efforts in the state. U.S. Trade Ambassador...Clayton Yeutter says he'll entertain an immediate resubmission of the U.S. Rice Council petition if Japan doesn't indicate at GATT mid~term review a willingness to negotiate overdue reforms in ag trade. It's expected this will be one of the issues reported in our coverage at Montreal. Beginning Dec. 5 daily radio reports on our Newsline service at 5:00 p.m. TV reports on Westar IV satellite. Schedule is as follows: Dec. 5-6 1:00-1:30 pm Eastern Time transponder 7X (channel 14);

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Dec. 7 1:00-1:30 pm ET transponder 6D (channel 11); Dec. 8 1:00-1:15 pm ET transponder 10X (channel 20).

A Better Way...TV program produced by USDA has been cancelled. The action was budget driven. Last telecast November 28.

Visitors...to the office this week included those two venerable men of broadcasting, Layne Beaty and Jack Towers (both USDA R&TV retired). They met with our Margaret Desatnik for a recording session about USDA broadcasting history.

History...10 years ago this column, John Baker's book about farm broadcasting was in the hands of a publisher. 20 years ago, Wally Erikson reports CA plum growers have harvested one of their best crops ever.

VIC POWELL, Chief, Radio and Television Division